



January 8, 2011

Mr./Madame Chairperson, Members of the Committee:

For the record, my name is Molly Severtson, and I'm here today representing The Policy Institute, a nonprofit organization here in Helena. Our mission is to promote public policy based on economic justice, fair taxation, corporate accountability and environmental responsibility.

First of all, I'd like to specifically thank the Democratic leadership for insisting that the viewpoints of nonprofit organizations be heard today at this event.

I'm addressing you today, not as an employer, but as an advocate for a strong public infrastructure in Montana. The Policy Institute believes that this infrastructure is important for the health of businesses in Montana, including their ability to maintain and create jobs in our state, and that taking a balanced approach to Montana's revenue challenge is the best way to support this infrastructure.

In our view, a balanced approach to the state's revenue challenge would include careful consideration of new sources of revenue for the state, including:

- a repeal of the various tax policies known collectively as the Oil and Gas Tax "Holiday" in Montana, which have cost the state more than \$500 million in lost revenue since 2003,
- support of the Department of Revenue's compliance efforts,
- the implementation of a soft drink and sugared beverage tax in Montana,
- repeal of elements of 2003's SB 407, which drastically changed Montana's income tax structure, resulting in a revenue loss of \$100 million per year, and
- evaluation of tax expenditure policies in Montana to determine their continued value and effectiveness.

As you continue your work this session, I urge you to consider these and other revenue-raising measures and how they relate to maintaining the public infrastructure upon which the business community in Montana depends.

Thank you very much.

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